

**BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
TUESDAY, JUNE 10, 2014, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Sharon Casey, John Calvin, Mike Luken, Greg Heineman, Tim Kessler, Ted Hustead, Don Kettering, Pat Prostrullo, Rob Skjonsberg, David Lust, Bruce Rampelberg, and Tom Jones

Staff Present

Commissioner Pat Costello, Deputy Commissioner Aaron Scheibe, Kim Easland, Travis Dovre, Ashley Moore, Cherissa Nielson, Dale Knapp

Other Staff Present

Mandy Kuipers - BankWest, Inc.

Tim Engel - May, Adam, Gerdes & Thompson LLP

Others Present

Bob Mercer

Call to Order

Chairman Erickson called the meeting to order at 9:35 A.M.

Agenda

A motion was made by Sharon Casey and seconded by Tim Kessler to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Pat Prostrullo and seconded by Dale Clement to approve the minutes of the meetings held May 13, 2014, May 21, 2014, and May 27, 2014, as presented.

Motion passed by a roll call vote.

Internal Control Policy

A motion was made by Don Kettering and seconded by John Calvin to approve the changes to the Internal Control Policy as presented.

Motion passed by a roll call vote.

Loan Origination Fee

A motion was made by Dale Clement and seconded by Rob Skjonsberg to approve reducing the loan origination fee to 1%; REDI loans approved but not yet funded will be included in the change; legal fees regarding loan documents will be responsibility of the borrower.

Motion passed by a roll call vote.

Economic Development Partnership Program Award Policy for IEDC Basic Training

A motion was made by Tim Kessler and seconded by Ted Hustead to approve the Economic Development Partnership Program Award Policy for IEDC Basic Training as presented.

Motion passed by a roll call vote.

Economic Development Partnership Program Award Policy for Training Only

A motion was made by Pat Prostrullo and seconded by Sharon Casey to approve the Economic Development Partnership Program Award Policy for Training Only as presented.

Motion passed by a roll call vote.

Local Infrastructure Preference Policy

A motion was made by Mike Luken and seconded by Sharon Casey to adopt the Local Infrastructure Preference Policy as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Greg Heineman and seconded by Ted Hustead to enter into executive session at 10:00 a.m. to discuss contract matters, and commercial and financial information relating to loan and other assistance to applicants, and to consult with legal counsel.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 10:53 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants, and to consult with legal counsel.

A motion was made by Sharon Casey and seconded by Tim Kessler to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Reviews

Dakota Real Properties, LLC and JH Investments, LLC

A motion was made by Tony Klein and seconded by Dale Clement to approve the loan reviews and recommendations as presented.

Motion passed by a roll call vote with Don Kettering abstaining.

Old Business

Bel Brands USA, Inc.

A motion was made by Greg Heineman and seconded by Mike Luken to authorize staff and legal counsel to complete negotiations on the loan documents regarding rates and employment.

Motion passed by a roll call vote.

Deadwood Biofuels, LLC

A motion was made by Mike Luken and seconded by Rob Skjonsberg to approve the Credit Committee's request as presented.

Motion passed by a roll call vote.

Saturn Properties, LLC

A motion was made by Pat Prostrullo and seconded by Dale Clement to approve the additional loan request form Saturn Properties, LLC in the amount of \$27,500. Secured by a shared first position on real estate, second blanket UCC filing, personal guarantees of principals with 10% or more ownership, and a corporate guarantee.

Motion passed by a roll call vote.

New Business

DBI Holdings, LLC

A motion was made by Dale Clement and seconded by Ted Hustead to approve the waiver for a loan over \$1,000,000.

Motion passed by a roll call vote.

A motion was made by Don Kettering and seconded by Tim Kessler to approve the loan request from DBI Holdings, LLC in the amount of \$2,178,500. Secured by a shared first position on the facility, personal guarantees of principals with 10% or more ownership, and a corporate guarantee.

The loan is approved according to the terms and conditions of the commitment letter and that all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion passed by a roll call vote.

JMo Holdings, LLC

A motion was made by Sharon Casey and seconded by Dale Clement to approve the waiver for a loan over \$1,000,000.

Motion passed by a roll call vote.

A motion was made by Pat Prostrullo and seconded by Greg Heineman to approve the loan request from JMo Holdings, LLC in the amount of \$1,125,000. Secured by a shared first position on real estate, personal guarantees of principals with 10% or more ownership and a corporate guarantee.

The loan is approved according to the terms and conditions of the commitment letter and that all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion passed by a roll call vote.

Rosenbauer South Dakota, LLC

A motion was made by Greg Heineman and seconded by Rob Skjonsberg to approve the loan request from Rosenbauer South Dakota, LLC in the amount of \$990,000.

Secured by a shared first position on real estate and a corporate guarantee.

The loan is approved according to the terms and conditions of the commitment letter and that all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion passed by a roll call vote.

Economic Development Partnership Program IEDC Basic Training

Brookings Economic Development Corporation and Lake Area Improvement Corporation

A motion was made by Pat Prostrullo and seconded by Don Kettering to approve the Economic Development Partnership Program IEDC Basic Training grant application of the Brookings Economic Development Corporation and Lake Area Improvement Corporation as recommended by staff and the Grant Committee in the board packet.

Brookings Economic Development Corporation

- Grant award to the Brookings Economic Development Corporation in the amount of \$905.66, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training.

Lake Area Improvement Corporation

- Grant award to the Lake Area Improvement Corporation in the amount of \$888.12, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training.

Motion passed by a roll call vote.

Economic Development Partnership Program

City of Canton, Glacial Lakes Area Development, Brookings Economic Development Corporation, and Mitchell Area Development Corporation

A motion was made by Tony Klein and seconded by Greg Heineman to approve the Economic Development Partnership Program grant applications of the City of Canton, Glacial Lakes Area Development (RLF), Brookings Economic Development Corporation, and Mitchell Area Development Corporation, as recommended by staff and the Grant Committee in the board packet.

City of Canton

- Grant award to the City of Canton in the amount of \$2,092.50, to be granted in accordance with the board's Economic Development Partnership Award Policy for training only.

Glacial Lakes Area Development (RLF)

- Grant award to the Glacial Lakes Area Development (RLF) in the amount of \$200,000, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Brookings Economic Development Corporation

- Grant award to the Brookings Economic Development Corporation in the amount of \$84,000, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

Mitchell Area Development Corporation

- Grant award to the Mitchell Area Development Corporation in the amount of \$139,502, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

Motion passed by a roll call vote.

Local Infrastructure Improvement Program

City of Tyndall and City of Gregory

A motion was made by Sharon Casey and seconded by Don Kettering to approve the Local Infrastructure Improvement grant applications of the City of Tyndall and City of Gregory as recommended by staff and the Grant Committee in the board packet.

City of Tyndall

- Grant award to the City of Tyndall in the amount of \$100,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

City of Gregory

- Grant award to the City of Gregory in the amount of \$150,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion passed by a roll call vote.

City of Parkston and Tea Economic Development Corporation

A motion was made by Pat Prostrullo and seconded by Rob Skjonsberg to deny the Local Infrastructure Improvement grant applications of the City of Parkston and the Tea Economic Development Corporation as recommended by staff and the Grant Committee in the board packet.

City of Parkston

- Deny the application to the City of Parkston for Local Infrastructure Improvement grant award in the amount \$137,000.

Tea Economic Development Corporation

- Deny the application of the Tea Economic Development Corporation for Local Infrastructure Improvement grant award in the amount \$225,000.

Motion passed by a roll call vote.

Bills

A motion was made by Ted Hustead and seconded by John Calvin to approve the bills payable to BankWest, Inc. in the amount of \$11,000.00 for the May servicing, Clausen & Rice, LLP in the amount of \$1,500.00 for accounting work, Costello, Porter, Hill, Heisterkamp, Bushnell & Carpenter, LLP Attorneys at Law in the amount of \$1,080.40 for legal work, and Woods, Fuller, Shultz & Smith P.C. Lawyers in the amount of \$1,875.00 for legal work.

Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Dale Clement to adjourn the meeting at 11:09 a.m.

Motion passed by a roll call vote.



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Dale Clement, Secretary or  
Tony Klein, Treasurer